

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
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DOE-11 EB-08 COME-00 MCE-00 ACDA-12 OMB-01 TRSE-00
OES-07 DOEE-00 USIE-00 NSCE-00 INRE-00 SSO-00
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-----022220 082154Z /63

O 082126Z MAR 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 6573

INFO AMEMBASSY MOSCOW PRIORITY

AMEMBASSY PARIS PRIORITY

UNCLAS SECTION 01 OF 02 OTTAWA 01175

E.O. 11652: NA

TAGS: PEPR, PINT, CA

SUBJECT: TORONTO SUN ARTICLE ON ALLEGED SOVIET ESPIONAGE

REF: OTTAWA 1176

1. FOLLOWING IS RELEVANT TEXT OF MARCH 7 TORONTO SUN ARTICLE ON ALLEGED SOVIET ESPIONAGE ACTIVITIES (REFTEL).
2. BEGIN TEXT: MR. TRUDEAU SHOULD ASK TO LOOK AT THE "TOP SECRET -- FOR CANADIAN EYES ONLY" DOCUMENT PREPARED BY THE RCMP AND APPROVED ON MARCH 24, 1976, PERTAINING TO "CANADIAN-RELATED ACTIVITIES OF THE RUSSIAN INTELLIGENCE SERVICE."
3. IT IS A VIRTUAL CATALOGUE OF SOVIET CRIMES, OR ATTEMPTED CRIMES, AGAINST CANADA AND CANADIANS IN BUSINESS, ACADEMIC, JOURNALISTIC, MILITARY, POLITICAL AREAS. AMONG THE REVELATIONS WHICH SHOULD GIVE MR. TRUDEAU PAUSE, ARE:

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4. IN THE SUMMER OF 1974 TWO KGB OFFICERS ATTACHED TO THE SOVIET EMBASSY IN OTTAWA, VLADIMIR VETROV AND ANATOLY DAVIDENKO, OFFERED A CANADIAN \$100 FOR EVERY MANUAL OR CATALOGUE ON HEWLETT-PACKARD CORP., AND FOR MATERIAL DEALING WITH THE NATIONAL RESEARCH COUNCIL AND ATOMIC ENERGY OF CANADA. IT WAS AN ATTEMPT TO ENTRAP A CANADIAN INTO WORKING FOR SOVIET INTELLIGENCE.

5. THE SOVIET UNION ACQUIRED A DEEP-WATER SUBMERSIBLE WITH A CLASSIFIED, PRESSURE-RESISTANT STEEL HULL WHICH WAS FORBIDDEN TO BE SOLD TO SOVIET-BLOC COUNTRIES. THE SOVIETS SIGNED A CONTRACT WITH A VANCOUVER COMPANY TO HAVE COMPONENT PARTS SHIPPED TO SWITZERLAND AND RE-ROUTED TO THE USSR. THIS "SWISS CONNECTION" IS REPEATEDLY TRIED.

6. IN 1975 VITALY SHIMCHIK OF GRU (MILITARY INTELLIGENCE) NEGOTIATED TO GIVE A MONTREAL BUSINESSMAN THE FRANCHISE FOR THE SALE OF SOVIET YAK-40 AIRCRAFT. IN RETURN FOR THE "PARTNERSHIP" THE MONTREAL MAN WAS OFFERED \$50,000 COMMISSION IF HE'D QUIETLY BUY A HUGHES 500 HELICOPTER FOR RE-SALE TO THE USSR. A SIMILAR DEAL WAS NEGOTIATED FOR THE YAK-40 FRANCHISE IN CALGARY. THE SOVIETS WANTED A VARIETY OF CLASSIFIED ELECTRONIC AND NEW "SIDE-LOOKING" RADAR, PLUS TRANSISTORS AND TURBO ENGINES AND MISSILE GUIDANCE SYSTEMS DEVELOPED BY CANADIAN AND AMERICAN FIRMS, SUCH AS MARCONI, HUGHES, MOTOROLA, UNITED AIRCRAFT.

7. GRU OFFICER ALEXANDER KOVALEV WAS KICKED OUT OF CANADA AFTER TRYING TO GET A POST-GRADUATE STUDENT AT THE UNIVERSITY OF OTTAWA TO OBTAIN CLASSIFIED TECHNICAL REPORTS.

8. MILITARY ATTACHE CAPT. YEVGENY SMIRNOV, GRU, PERSUADED A CARLETON UNIVERSITY PROFESSOR TO PROVIDE ALL UNCLASSIFIED

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SCHOLARLY PAPERS PRESENTED AT ACADEMIC CONFERENCES, SOME OF WHICH WERE CLASSIFIED AND GAVE THE SOVIETS A BIG ADVANTAGE.

9. IN 1975 GRU OFFICER DMITRI IVANOV TRIED TO BRIBE AN AGRICULTURAL DEPARTMENT SCIENTIST TO GIVE SECRETS OF A NEW RUST-RESISTANT WHEAT, IN RETURN FOR AN ALL-EXPENSE-PAID VISIT TO THE USSR.

10. IN 1971 A CANADIAN SCIENTIST WENT TO THE USSR AS A GUEST OF THE SOVIET ACADEMY OF SCIENCES AND WAS SEDUCED BY HIS INTOURIST GUIDE, GALINA NOUSSINOVA, WIFE OF A KGB OFFICER. THE SCIENTIST RETURNED TO CANADA AND MET GRU OFFICER YURI USATY WHO PERSUADED HIM TO SMUGGLE A HIGHLY CLASSIFIED NEW LASER FROM THE NATIONAL RESEARCH COUNCIL TO THE USSR. THE SCIENTIST SAID HE DID THE DEED FOR LOVE, AND IN ORDER TO SHOW GOODWILL AND STRENGTHEN RELATIONS BETWEEN CANADA AND RUSSIA.

11. SINCE 1970 FIVE CANADIAN CORPORATIONS HAVE BECOME PARTNERS OF THE SOVIETS IN SELLING AND SERVICING SOVIET GOODS. CANADIANS SERVE A FIGURE-HEAD ROLE AND OFTEN UN-

WITTINGLY AID SOVIET AIMS.

12. NOVOSTI NEWS AGENCY CORRESPONDENT ALEXANDER PALLADIN CULTIVATED TWO SPECIAL ASSISTANTS OF A CABINET MINISTER (WHO ARE NOT SUBJECT TO NORMAL SCREENING PROCEDURES AND WHO HAVE ACCESS TO MUCH CONFIDENTIAL MATERIAL). WITH ASSISTANCE FROM YEVGENY SMIRNOV, YURI USATY AND GENNADY ZOLOTOV (ALL OF SOVIET INTELLIGENCE), PALLADIN TRIED TO ESTABLISH "AGENTS OF INFLUENCE" INSIDE THE CANADIAN POLITICAL SYSTEM.

13. THIRD SECRETARY MIKHAIL KHVATOV (KGB) WAS INVOLVED

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IN "RUNNING" ILLEGALS IN THE OTTAWA AREA, AS WAS YURI SERPOKRILOV BEFORE HIM. LYDIA DUBINSKAY OF INTOURIST AND YURK ZHELEZNAYKO (KGB) WORKED WITH "FRONT GROUPS" IN MONTREAL AND TORONTO AND SUPPORTED "ILLEGALS."

14. VADIM BORISHPOLETS AND HIS WIFE NATALIA, BOTH KGB (AND EXPELLED IN THE RECENT RCMP PENETRATION CASE) WERE INVOLVED IN GETTING FAKE DOCUMENTATION AND PHONY CANADIAN IDENTITIES FOR SOVIET SPIES "TARGETTED" AT OTHER COUNTRIES.

15. OLEG KUDINOV OF KGB (SINCE GONE) SUPPORTED ILLEGALS IN MONTREAL WITH SOVIET MEMBERS OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION, MANY OF WHOM ARE KNOWN KGB.

16. AN ARMED FORCES NCO STATIONED IN MOSCOW WAS CO-OPTED BY SOVIET INTELLIGENCE AND HE PLANTED ELECTRONIC BUGS THROUGHOUT THE CANADIAN EMBASSY AND "SOLD-OUT" OTHER CANADIANS.

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17. IN 1975 ANOTHER NCO WAS OFFERED "FEMALE COMPANIONSHIP" AND MONEY FROM THE BLACKMARKET TO WORK FOR THE KGB. A MILITARY ATTACHE AT THE CANADIAN EMBASSY WAS ALSO APPROACHED.

18. THE RCMP REPORT SAYS PRAVDA'S MAN IN OTTAWA, KONSTANIN GEIVANDOV, WAS EXPELLED FROM CANADA AFTER PERSUADING A CANADIAN JOURNALIST TO ACT ON BEHALF OF SOVIET INTERESTS WHEN REPORTING CANADIAN POLITICAL EVENTS.

19. AWARE THAT RELATIONS WITH CANADA ARE THREATENED WHEN ESPIONAGE IS FOUND OUT, THE SOVIETS HAVE "HANDLED OFF" MANY INTELLIGENCE FUNCTIONS TO WARSAW PACT ALLIES. IN 1975 CUBAN INTELLIGENCE WAS MADE RESPONSIBLE FOR ALL "REVOLUTIONARY ACTIVITIES" IN THE WESTERN HEMISPHERE. END TEXT. ENDERS

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